

SENATE JOINT RESOLUTION 393

By Yager

A RESOLUTION to urge the federal government to revise the zip code classifications for Medicare payment for ambulance services.

WHEREAS, the Balanced Budget Act of 1997 added a new section to the Social Security Act, which mandated the implementation of a national fee schedule for ambulance services furnished as a benefit under Medicare; and

WHEREAS, this fee schedule became fully implemented as of January 1, 2006, and applies to all ambulance services, including volunteer, municipal, private, independent, certain institutional providers, and skilled nursing facilities; and

WHEREAS, the Medicare Modernization Act of 2003 created add-on payment policies to provide for varying payment increases to transports originating in zip codes designated as “super-rural”, “rural”, and “urban”; and

WHEREAS, ambulance services receive a two percent urban or three percent rural, or super-rural, add-on payment for each transport; and

WHEREAS, the Centers for Medicare and Medicaid services published a proposed rule for the 2015 Medicare fee schedule that adjusted 122 zip codes for reclassification in 2015 based on 2010 census data; and

WHEREAS, the Centers for Medicare and Medicaid services published the final rule in November 2014, and the number of adjusted zip codes for reclassification rose from 122 to over 1,500 rural to urban zip code classifications; and

WHEREAS, the final list of zip code changes was not posted until December 4, 2014, less than one month before the new policy was implemented on January 1, 2015; and

WHEREAS, these rapid reclassifications failed to give ambulance providers and suppliers sufficient time to prepare for the change in reimbursement and adjust for their losses; and

WHEREAS, these changes will result in nearly a nine percent cut in reimbursement under the Medicare program for transports originating in areas that have lost rural status; and

WHEREAS, over sixty zip codes in Tennessee were reclassified from rural to urban status; and

WHEREAS, these reclassifications affected more than fifty rural communities and municipalities in Tennessee, including, Auburntown, Bon Aqua, Carthage, Centerville, Dixon Springs, Hartsville, Lafayette, Lyles, Nunnely, Only, Pleasant Shade, Pleasantville, Readyville, Red Boiling Springs, Riddleton, Woodbury, Benton, Charleston, Cleveland, Hopewell, Conasauga, Copperhill, Ducktown, Dunlap, Farner, McDonald, Ocoee, Old Fort, Reliance, Turtletown, Whitwell, Bean Station, Blaine, Kodak, Lowland, Morristown, New Market, Powder Springs, Russellville, Rutledge, Strawberry Plains, Talbott, Thorn Hill, Washburn, White Pine, Whitesburg, Duck River, Brush Creek, Chestnut Mound, Elmwood, Gordonsville, Hickman, and Lancaster; and

WHEREAS, the majority of ambulance services in these municipalities are small businesses that provide jobs and support to their local communities; and

WHEREAS, the Centers for Medicare and Medicaid Service's reclassification of zip codes has greatly affected ambulance services in Tennessee, which are an essential piece of our state's local health care and emergency response systems; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED NINTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that the members of this General Assembly urge the Centers for Medicare and Medicaid Services to reverse or revise the zip code reclassifications for Medicare payment for ambulance services to alleviate the burden that the reclassifications of 2015 imposed on rural communities in Tennessee and throughout the United States.

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be prepared for transmittal to the United States Secretary of Health and Human Services and to the entire Tennessee Congressional delegation.